

# MISSOURI DEPARTMENT OF REVENUE

## USE TAX

### DETAILED INSTRUCTIONS AND INFORMATION BOOK

#### Filing your use tax return just got easier!

By calling toll-free (888) 948-4653 you can file your zero use tax return using the Telefile System. **To call in your zero use return, you must have zero gross receipts and zero taxable sales.**

Telefile eliminates postal delays and the cost and time to generate, sign, and mail returns. Telefile also saves processing and data entry costs associated with paper filings.

### Taxpayer Assistance Numbers

|   |   |
|---|---|
| <b>Jefferson City Central Office</b> (573) 751-2836<br>Tax Assistance Center (573) 751-7191   | <b>Cape Girardeau</b> (573) 290-5850  |
| <b>Kansas City</b> (816) 889-2944   | <b>Springfield</b> (417) 895-6474   |
| <b>St. Louis</b> (314) 877-0177   | <b>Joplin</b> (417) 629-3070  |
| <b>St. Joseph</b> (816) 387-2230  | <b>Fax-on-Demand</b> (573) 751-4800   |
| <b>Internet:</b> <a href="http://www.dor.mo.gov/tax">www.dor.mo.gov/tax</a>                   | <b>E-mail:</b> <a href="mailto:salesuse@dor.mo.gov">salesuse@dor.mo.gov</a> |
| <b>Number for Forms</b> (800) 877-6881  |   |
| Individuals with speech/hearing impairments may use TDD (800) 735-2966 or fax (573) 526-1881. |   |

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## ALTERNATIVE PAYMENT OPTIONS

### Use Tax Payments Online

Now you can pay your use tax online using a Credit Card or E-Check (Electronic Bank Draft).

**Note:** You must have a valid Missouri Tax ID Number to pay using this system, and must know the Filing Period for which you are filing. See description of payment methods and fees below.

**Electronic Bank Draft (E-Check).** By entering your bank routing number, checking account number, and your next check number, you can pay online. There will be a minimal handling fee per filing period/transaction to use this service.

**Credit Card.** This payment system accepts MasterCard, Discover, Visa, and American Express. The convenience fees listed below will be charged to your account for processing the credit card payment:\*

| <u>Amount of Tax Paid</u> | <u>Convenience Fee</u> |
|---------------------------|------------------------|
| \$0.00–\$33.00            | \$1.00                 |
| \$33.01–\$100.00          | 3.0%                   |
| \$100.01–\$250.00         | 2.95%                  |
| \$250.01–\$500.00         | 2.85%                  |
| \$500.01–\$750.00         | 2.85%                  |
| \$750.01–\$1,000.00       | 2.80%                  |
| \$1,000.01–\$1,500.00     | 2.75%                  |
| \$1,500.01–\$2,000.00     | 2.70%                  |
| \$2,000.01 or more        | 2.60%                  |

\*Rates are subject to change. Please check the web site at [www.dor.mo.gov/tax/business/payonline.htm](http://www.dor.mo.gov/tax/business/payonline.htm) for current rates.

**Note:** The handling and/or convenience fees included in these transactions are being paid to the third party vendor, Collector Solutions Inc., **not** to the Missouri Department of Revenue. By accessing this payment system, the user will be leaving Missouri's web site and connecting to the web site of Collector Solutions, Inc. The web site of Collector Solutions, Inc., is a secure and confidential web site.

**To pay online, please visit:**

[www.dor.mo.gov/tax/business/payonline.htm](http://www.dor.mo.gov/tax/business/payonline.htm)

**TXP Bank Project (TXP)** — TXP offers another option for making your tax payments. It allows you to provide payment information to your bank. The bank, in turn, converts the information into a CCD+ format that allows it to transfer your payment information along with your authorized ACH credit to the department. The option is available to any Missouri taxpayer remitting use tax. If you make your payment electronically, please remember you must still submit your return to the Department.

Why should you use an alternative payment method? By utilizing TXP Bank Project for your tax payment, you eliminate the possibility of postal delays and possible late payment fees; and the cost and time to generate and sign checks. The department saves processing and data entry costs associated with paper remittance.

If you have questions about tax TXP Bank Project, please contact the department by e-mail at [elecfile@dor.mo.gov](mailto:elecfile@dor.mo.gov), call (573) 751-8150, or write to Missouri Department of Revenue, P.O. Box 543, Jefferson City, Missouri 65105-0543.

### TELEFILE OF USE TAXES

By calling toll-free (888) 948-4653, you can file your zero use tax return using the Telefile System. **To be eligible to call in your zero use tax return, you must have zero gross receipts and zero taxable sales.**

Telefile eliminates postal delays and the cost and time to generate, sign, and mail returns. Telefile also saves processing and data entry costs associated with paper filings.

If you have questions about telefile, contact the department by e-mail at [elecfile@dor.mo.gov](mailto:elecfile@dor.mo.gov), call (573) 751-8150, or write to Missouri Department of Revenue, P.O. Box 543, Jefferson City, MO 65105-0543.

# Instructions for Completing Missouri Use Tax Returns

*If you have questions or problems which are not covered in these instructions, you may obtain assistance by writing to Taxation Division, P.O. Box 3380, Jefferson City, MO 65105-3380, e-mailing [salesuse@dor.mo.gov](mailto:salesuse@dor.mo.gov), or calling (573) 751-2836. Persons with hearing or speech impairments may use TDD (800) 735-2966 or fax (573) 526-1881.*

To ensure your tax records are ***protected and confidential***, the Department of Revenue will not release tax information to anyone who is not listed in our records as an owner, partner, member, or officer for your business. If your partners, members, or officers change, you must update your registration with the department by completing a Form 126, Registration Change Request Form, before we can release tax information to those new partners, members, or officers. If you would like the department to release tax information to an accountant, tax preparer, or another individual who is not listed on your account, please complete a Form 2827, Power of Attorney.

To obtain a Form 2827, Power of Attorney Form, or a Form 126, Registration Change Request Form, contact the department at (800) 877-6881, or download the form from the Internet at **[www.dor.mo.gov/tax/forms/](http://www.dor.mo.gov/tax/forms/)** or the Missouri Department of Revenue's Forms-by-Fax System at (573) 751-4800.

## GENERAL INFORMATION

**VENDOR'S USE TAX:** Out-of-state vendors who are not subject to Missouri sales tax are required to collect Missouri vendor's use tax on taxable sales to Missouri consumers. Every city or county that has passed a local option use tax is listed on your return. THE "STATE ONLY" LOCATION IS USED FOR REPORTING SALES TO CONSUMERS NOT WITHIN AN AREA THAT HAS PASSED A LOCAL OPTION USE TAX. As cities or counties pass new local option use taxes, new locations will automatically be added to your return unless you have notified the department of your specific Missouri selling locations.

**Ownership changes require the completion of a Form 2643, Missouri Tax Registration Application.**

**CONSUMER'S USE TAX:** Missouri cannot require out-of-state companies that do not have nexus or a direct connection with the state to collect and remit use tax. If an out-of-state seller does not collect use tax from the purchaser, the purchaser is responsible for remitting the use tax to Missouri.

A seller not engaged in business is not required to collect Missouri tax but the purchaser in these instances is responsible for remitting use tax to Missouri. A purchaser is required to file a use tax return if the cumulative purchases subject to use tax exceed \$2,000 in a calendar year. If you do not have \$2,000 in cumulative taxable purchases this calendar year, indicate this in the box located under "Consumer's Totals (all pages)."

**When to File:** The amount of tax collected determines filing frequency. It is your responsibility to determine your proper filing frequency, obtain returns and file them as required. Failure to obtain the forms will not be an excuse for failure to file the required returns. If you fail to receive a form, you should immediately notify the Taxation Division, P.O. Box 3022, Jefferson City, MO 65105-3022, access the department's web site at **[www.dor.mo.gov/tax/forms/](http://www.dor.mo.gov/tax/forms/)**, or call (800) 877-6881. If you do not file timely, you will be subject to interest, additions to tax, and the discount for timely filing will be disallowed.

The chart on the following page provides the due dates for filing Use Tax Returns.

**Where to file:** Mail your return to Missouri Department of Revenue, P.O. Box 840, Jefferson City, MO 65105-0840.

**REPORTING DUE DATES:**

| MONTHLY<br>REPORTING | QUARTERLY<br>REPORTING | ANNUAL<br>REPORTING | 2010 ACTUAL<br>DUE DATE |
|----------------------|------------------------|---------------------|-------------------------|
| JANUARY              |                        |                     | FEBRUARY 22             |
| FEBRUARY             |                        |                     | MARCH 22                |
| MARCH                | 1ST QUARTER            |                     | APRIL 30                |
| APRIL                |                        |                     | MAY 20                  |
| MAY                  |                        |                     | JUNE 21                 |
| JUNE                 | 2ND QUARTER            |                     | AUGUST 2                |
| JULY                 |                        |                     | AUGUST 20               |
| AUGUST               |                        |                     | SEPTEMBER 20            |
| SEPTEMBER            | 3RD QUARTER            |                     | NOVEMBER 1              |
| OCTOBER              |                        |                     | NOVEMBER 22             |
| NOVEMBER             |                        |                     | DECEMBER 20             |
| DECEMBER             | 4TH QUARTER            | YEAR — VENDORS      | JANUARY 31, 2011        |
|                      |                        | YEAR — CONSUMERS    | APRIL 15                |

**ADDING/CLOSING A REPORTING LOCATION:** To close a “reporting location”, draw a line through the location and indicate the close date. You cannot use the previous owner’s tax identification number. New locations can be added in the blank lines following your preprinted “reporting location(s)”. To open a “reporting location”, enter the city (if inside a city’s limits) and/or county of the new “reporting location”. If you have questions regarding tax rates or registration changes, or if you need to obtain a Form 2643, Missouri Tax Registration Application, contact the Taxation Division, P.O. Box 3300, Jefferson City, MO 65105-3300, call (573) 751-5860, or e-mail [businesstaxregister@dor.mo.gov](mailto:businesstaxregister@dor.mo.gov). Persons with speech or hearing impairments may use TDD (800) 735-2966 or fax (573) 526-1881.

**INTEREST RATES FOR LATE PAYMENTS:**

The annual interest rate is subject to change each year. You can access the annual interest rate on our web site at: <http://dor.mo.gov/tax/intrates.htm>.

**Reporting Motor Vehicle Leasing Receipts:** Receipts that are derived fully or partially from the leasing of motor vehicles are reported on separate and distinct pages of your return. These pages can be identified by locating the letters “MVLE” in the upper right-hand area of the page. Leases of less than a 60-day duration should be taxed and reported on the line that lists your business address. Leases of a duration 60 days or greater should be taxed and reported on the lines listing the city/county where the lessors reside. Locations of lessors previously reported will be preprinted on the return for your convenience. Additional locations may be written in as necessary and will be preprinted on future returns. Any motor vehicle which is leased or rented as the result of a contract is subject to **sales tax** and shall be taxable at the lessee’s location at the time the lease is executed.

# DETAILED INSTRUCTIONS FOR SALES/USE TAX REFUND/CREDIT


- A Check Action to be Taken:** Indicate whether you are requesting a refund or a credit by checking the appropriate box.
- B Claimant:** Enter the name of the business requesting the refund/credit. Also, enter the mailing address, telephone number, and tax identification number.
- C Name on Refund Check:** This space is to be used if a refund is requested and the check is to be issued in a name other than the taxpayer/business.
- D Power of Attorney:** If you want the Department of Revenue to send copies of any correspondence relating to this refund/credit claim to your power of attorney or agent, check the appropriate box. We will also send your power of attorney a copy of the final approval or denial of the refund/credit request.

- E Refund Request Amount:** Enter the amount of tax you have determined to be overpaid, the file periods and the reason for overpayment. You must state the specific grounds upon which your claim for refund or credit is based. All claims must contain supporting documentation for the overpayment. Supporting documents include: invoices, valid exemption certificates, worksheets, and any other documentation required to validate the claim. **You must submit amended returns for each tax period on your request.**

- F Signature:** This form must be signed by the taxpayer or agent.

- G Department Use Only:** The department will return your Application for Sales/Use Tax Refund/Credit (Form 472B) to you with an analysis of approval or denial.

**Note:** Frequently Asked Questions for amended returns/refund information are provided on page 11. If you need assistance completing your amended return(s) see the front cover for the nearest Tax Assistance Center.

|  |  |   |  |                          |                        |
|--|--|---|--|--------------------------|------------------------|
|  MISSOURI DEPARTMENT OF REVENUE<br>TAXATION DIVISION<br>P.O. BOX 3350 (573) 526-9938 TDD (800) 735-2966<br>JEFFERSON CITY, MISSOURI 65105-3350<br>salesrefund@dor.mo.gov  |  | FORM<br><b>472B</b><br>(REV. 07-2009)                     |  | CLAIM NUMBER             |                        |
|  |  |   |  | CERTIFIED NUMBER         |                        |
| <b>APPLICATION FOR SALES/USE TAX REFUND/CREDIT</b>   |  |   |  |                          |                        |
| <b>BEFORE THE DEPARTMENT CAN PROCESS YOUR CLAIM YOU MUST PROVIDE:</b>  |  |   |  |                          |                        |
| <b>Checklist</b>   |  |   |  |                          |                        |
| <input type="checkbox"/> Indicate on the application whether you are requesting a refund or a credit.  |  |   |  |                          |                        |
| <input type="checkbox"/> Provide a worksheet detailing how the refund/credit amount is calculated.   |  |   |  |                          |                        |
| <input type="checkbox"/> Complete the claimant portion of the application. (See back for detailed explanation.)  |  |   |  |                          |                        |
| <input type="checkbox"/> Submit invoices supporting the refund/credit claim. (If the refund/credit request is for more than one tax period, invoices for the entire claim may not be required. Contact the Department of Revenue at (573) 526-9938 before submitting invoices for more than one period.)                     |  |   |  |                          |                        |
| <input type="checkbox"/> Sign the refund/credit application.   |  |   |  |                          |                        |
| <input type="checkbox"/> Include amended returns for <b>each</b> period in which the tax was <b>originally reported</b> .  |  |   |  |                          |                        |
| <input type="checkbox"/> Include a properly executed power of attorney if someone other than an owner, partner, or officer is the contact person concerning the refund/credit claim.   |  |   |  |                          |                        |
| <input type="checkbox"/> Provide a copy of the exemption certificate or exemption letter for an exempt sale.   |  |   |  |                          |                        |
| <b>PLEASE CHECK THE ACTION TO BE TAKEN:</b> <input type="checkbox"/> CREDIT <input type="checkbox"/> REFUND <b>A</b>   |  |   |  |                          |                        |
| TAXPAYER/BUSINESS NAME   |  | NAME ON REFUND CHECK, IF DIFFERENT THAN TAXPAYER/BUSINESS |  | MISSOURI TAX I.D. NUMBER | PHONE NUMBER           |
| <b>B</b>   |  | <b>C</b>  |  |                          | ( ) - - - -            |
| MAILING ADDRESS  |  |   | CITY, STATE, ZIP CODE                        |                          |                        |
| Do you want the Department of Revenue to send copies of any correspondence relating to this refund and the final refund approval/denial to your power of attorney or agent? <input type="checkbox"/> YES <input type="checkbox"/> NO    (Include a copy of the Power of Attorney Form with the refund application.) <b>D</b> |  |   |  |                          |                        |
| AMOUNT OVERPAID \$   |  |   | FILE PERIODS                                 |                          |                        |
| REASON FOR OVERPAYMENT   |  |   |  |                          |                        |
| <b>E</b>   |  |   |  |                          |                        |
| I declare this claim and any attached information supporting the claim is true, complete and correct. I also declare under penalties of perjury that I employ no illegal or unauthorized aliens as defined under federal law and that I am not eligible for any tax exemption, credit or abatement if I employ such aliens.  |  |   |  |                          |                        |
| SIGNATURE OF TAXPAYER OR AGENT   |  | DATE  | PRINT NAME AND INDICATE IF TAXPAYER OR AGENT |                          |                        |
| <b>F</b>   |  | __ / __ / __  |  |                          |                        |
| <b>DEPARTMENT USE ONLY</b>   |  |   |  |                          |                        |
| 1. <b>G</b>  |  |   |  |                          |                        |
| 2.   |  |   |  |                          |                        |
| 3.   |  |   |  |                          |                        |
| 4.   |  |   |  |                          |                        |
| You have the right to appeal any amount denied. See Frequently Asked Questions on the reverse side of this form for appeal procedures.   |  |   |  |                          | INTEREST               |
|  |  |   |  |                          | REFUND/CREDIT TOTAL \$ |
| EXPLANATION  |  |   |  |                          |                        |
|  |  |   |  |                          |                        |
|  |  |   |  |                          |                        |
| INITIATED  |  |   | DATE   |                          |                        |
|  |  |   | __ / __ / __                                 |                          |                        |
| AUTHORIZED SIGNATURE   |  |   |  |                          |                        |
|  |  |   |  |                          |                        |

MO 860-1159 (07-2009)

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 This publication is available upon request in alternative accessible format(s).



**A Business Identification:** Please use the return which has the Missouri Tax I.D. Number, owner's name, business name, mailing address, reporting period, and telephone number preprinted at the top of the return. Correct any wrong information. If this information is not preprinted, enter the correct information in the spaces provided.

**C Code:** Leave this column blank — it is for department use only.

**E Adjustments:** Make authorized adjustments for each location for which you are reporting sales. Indicate “+” or “-” for the total adjustment claimed.

*Example:* Gross receipts (+) or (–)  
Adjustments **must equal**  
taxable sales

Out-of-state businesses are responsible for collecting the correct local tax (where applicable) based on where the Missouri purchaser stores, uses or consumes the tangible personal property.

**H Amount of Tax:** Multiply the taxable sales of each location by the tax rate indicated for that location and enter AMOUNT OF TAX due for each reporting location.

**1 Vendor's Totals:** Compute total for each column from page 2 (D through H) and enter on page 1. (Amount of tax (H from vendor's use tax section) is totaled and entered on Line 1.)

**J Line 2 — Timely Payment Allowance:** If you file your return and payment by the required due date, enter two percent (2%) of the amount shown on Line 1. If not paid by the due date or Line 1 is “zero”, leave blank.

**K Line 3 — Total Vendor's Use Tax Due:** Enter total use tax due (Line 1 – Line 2). *Example:* \$500.00 – \$10.00 = \$490.00 tax due.

5

6



# Frequently Asked Questions

## FORMS AND FILING FOR USE TAX

1. *What is subject to use tax in Missouri?*
2. *Should I pay sales tax or vendor's use tax?*
3. *When am I required to file my use tax returns?*
4. *Will my filing frequency ever change?*
5. *What are the due dates for filing my returns?*
6. *What if the due date to file a return falls on a Saturday, Sunday, or a holiday?*
7. *Am I required to file a use tax return even if my sales/purchases equal zero?*
8. *Can a negative use tax return be filed?*
9. *What is the difference between "gross receipts" and "taxable sales" on my use tax returns?*
10. *Am I required to complete the gross receipts and taxable sales box on my return? Can't I just report the amount of tax I owe?*
11. *If I have included my use tax in my gross receipts, can the tax amount be backed out?*
12. *How is the two percent timely payment allowance calculated?*
13. *What determines if a return is timely?*
14. *How does the local option use tax affect out-of-state vendors?*
15. *If my use tax return has more than one page, am I required to complete all pages?*
16. *What is the location listed on the second page of the use tax return that says "state tax only" for?*
17. *If I add a new reporting location, will it appear on the next use tax return received from the Department of Revenue?*
18. *If I close a reporting location, will it be deleted on the next use tax return received from the Department of Revenue?*
19. *Can I file a return that has been generated by my computer rather than the one received from the Department of Revenue?*
20. *Do I need to include my figures for my food sales in the figures reported for sales subject to the full tax rate?*
21. *What is the correct use tax rate for a particular city or county?*
22. *Will I be notified of local tax increases/decreases?*
23. *How do I calculate interest on late payment of my use taxes?*
24. *How often are the interest rates updated?*
25. *What are additions to tax and how are they computed?*
26. *What is the approved credit line on the use tax returns to be used for?*
27. *How do I pay use tax under protest?*

## AMENDED RETURNS/REFUND INFORMATION

28. *Do I need a special form to file an amended or additional use tax return?*
29. *How do I apply for a refund or credit of sales/use tax?*
30. *How can I ensure my refund/credit claim includes all necessary information for the department to process my claim?*
31. *I am filing for a refund claim that involves more than one filing period. Do I need to file a separate Form 472B claim for each period?*
32. *I received an overpayment notice from the Department of Revenue. Do I need to submit a refund/credit application, amended returns, or other supporting documentation in order to receive a refund or credit?*
33. *Does the state pay interest on overpayments?*
34. *What is the oldest period that I may request a refund/credit for?*
35. *What is my recourse if a refund/credit claim has been denied?*

## **EXEMPTIONS**

**36. *How do I apply for an exemption from use tax?***

**37. *How do I use a project exemption certificate?***

## **FORMS AND FILING FOR USE TAX**

### **1. What is subject to use tax in Missouri?**

Use tax is imposed on the storage, use, or consumption of tangible personal property in this state. The state use tax rate is 4.225%. Cities and counties may impose an additional local use tax. The amount of use tax due on a transaction depends on the combined (local and state) use tax rate in effect at the Missouri location where the tangible personal property is stored, used, or consumed. Local use taxes are distributed in the same manner as sales taxes.

Unlike sales tax, which requires a sale at retail in Missouri, use tax is imposed directly upon the person who stores, uses, or consumes tangible personal property in Missouri. Use tax does not apply if the purchase is from a Missouri retailer and subject to Missouri sales tax.

Missouri cannot require out-of-state companies that do not have nexus or a direct connection with the state to collect and remit use tax. If an out-of-state seller does not collect use tax from the purchaser, the purchaser is responsible for remitting the use tax to Missouri.

A seller not engaged in business is not required to collect Missouri tax but the purchaser in these instances is responsible for remitting use tax to Missouri. A purchaser is required to file a use tax return if the cumulative purchases subject to use tax exceed \$2,000 in a calendar year.

### **2. Should I pay sales tax or vendor's use tax?**

Sales tax is applicable on all sales made from a location within the state of Missouri. Vendor's use tax is applicable on all sales made by out-of-state vendors where goods are shipped into Missouri and where title passes within the state of Missouri.

### **3. When am I required to file my use tax returns?**

Use tax returns may be filed on a monthly, quarterly, or annual basis. Your filing frequency is determined by the amount of state tax (4 percent for regular locations and 1 percent for food locations) due. The filing frequency is determined by the total state tax due on the return as a whole, not by each location.

State taxes collected of \$500 or more per month are to be reported on a monthly basis.

State taxes collected over \$45 per quarter but less than \$500 per month should be filed on a quarterly basis. The quarters are as follows: January through March, April through June, July through September, and October through December.

State taxes collected less than \$45 per quarter should be filed on an annual basis.

When filing Consumer's Use Tax only, the returns are to be filed on a quarterly basis. If your cumulative taxable purchases are under \$2,000 file the return and check the box which states: "I do not have cumulative taxable purchases totaling more than \$2,000 this calendar year and do not owe Consumer's Use Tax at this time." Consumer's Use Tax will be due on the total of all purchases once you have exceeded \$2,000.

### **4. Will my filing frequency ever change?**

Your filing frequency is reviewed by the Department of Revenue on an annual basis. If this review indicates that your filing frequency should be changed, the change will be made and notification will be sent to you.

### **5. What are the due dates for filing my returns?**

Monthly returns are due on or by the 20th of the following month, except on quarter ending months. For example, your monthly February return is due on or before March 20. The due dates listed on the chart on page 2 for quarterly returns should be followed when filing quarter ending months such as March, June, September, and December.

Quarterly returns are due on or before the last day of the month following the end of the quarter. For example, your return for the January through March period would be due on or before April 30.

Annual vendor's use tax returns are due on or before January 31 of the next year. Annual consumer's use tax returns are due on or before April 15 of the next year.

**6. What if the due date to file a return falls on a Saturday, Sunday, or a holiday?**

When the due date falls on a Saturday, Sunday, or a holiday, your return will be considered timely filed if it is postmarked by the next business day.

**7. Am I required to file a use tax return even if my sales/purchases equal zero?**

Yes. Every business registered for use tax is required to file a return even though no sales/purchases were made during the period covered by the return.

**8. Can a negative use tax return be filed?**

No. Negative use tax returns cannot be filed. When the credits allowed are greater than the tax collected, an amended return must be filed for the period in which the sales/purchases were actually filed.

**9. What is the difference between "gross receipts" and "taxable sales" on my use tax returns?**

Gross receipts equal the total amount of sales your business had for the period in which you are filing the return.

Taxable sales equal the total amount of sales your business had for the period in which you are filing the return +/- any sales on which you did not collect use tax. These are claimed in the adjustments column of your return.

Your taxable sales should always equal your gross receipts plus/minus any adjustments. If the adjustments column is not completed, the tax you owe will be calculated on the figures reported in your gross receipts column.

**10. Am I required to complete the gross receipts and taxable sales box on my return? Can't I just report the amount of tax I owe?**

Every vendor must file a use tax return showing the amount of taxable sales to his/her customers, as required by law.

**11. If I have included my use tax in my gross receipts, can the tax amount be backed out?**

The amount of use tax collected should not be included in your gross receipts. If the use tax is included in your gross receipts, it should be backed out. To back this out, take your total amount of gross receipts, including the use tax, divide (100% plus your current tax rate).

|                 |   |   |            |
|-----------------|---|---|------------|
| <i>Example:</i> | Gross Receipts including Use Tax          | = | \$2,500    |
|                 | Current Use Tax Rate                      | = | 5.725%     |
|                 | Divide \$2,500 by 105.725%                | = | \$2,364.63 |
|                 | Your gross receipts should be reported as |   | \$2,364.63 |

**12. How is the two percent timely payment allowance calculated?**

On all vendor's use tax returns filed and paid by the required due date, you are granted a two percent timely payment allowance. Take the amount of tax due times two percent. Then subtract this amount from the amount of tax due. For example, you have \$100.00 tax due times two percent is \$2.00. Subtract this \$2.00 from the \$100.00 originally due. The amount of tax due you would pay is \$98.00.

**13. What determines if a return is timely?**

Your use tax return is considered timely if it is **postmarked** on or before the required due date. If a metered postmark differs from the U.S. Postal Service postmark, the U.S. Postal Service postmark will be used as evidence of timely filing.

**14. How does the local option use tax affect out-of-state vendors?**

Out-of-state vendors may be required to collect and remit any local taxes that are due to a political subdivision that has imposed the local option use tax. In the past, all use tax transactions could be reported under one location. With the implementation of the local option use tax, these vendors are required to separately report their transactions by delivery location.

**15. If my use tax return has more than one page, am I required to complete all pages?**

Page one of use tax returns, with more than one page, is used only to report your total vendor's and consumer's use. Your actual tax liability must be broken down on the pages attached. This is necessary to allow for the proper distribution of local use tax.

**16. What is the location listed on the second page of the use tax return that says "state tax only" for?**

Some counties/cities have elected to have a local use tax. The counties/cities not listed on your return do not have a local use tax. All the sales/purchases for these counties/cities may be added together and filed on the line marked "state tax only."

**17. If I add a new reporting location, will it appear on the next use tax return received from the Department of Revenue?**

This new location may not appear on your next preprinted form. If it does not, please write it in again at the bottom of the locations listed on the preprinted form.

**18. If I close a reporting location, will it be deleted on the next use tax return received from the Department of Revenue?**

The location may still appear on your next preprinted use tax return. Enter "Closed" and the date the business location closed in the gross receipts area of your return.

**19. Can I file a return that has been generated by my computer rather than the one received from the Department of Revenue?**

You are required to get approval from the Department of Revenue before your computer generated form is used. This return must contain all the information that appears on the one received from the Department of Revenue. One area of these computer-generated returns that is often not done properly is the location code listing area. The location code is assigned by the department. The codes consist of 12 digits. The location codes must appear in the code column area of your use tax returns. The location codes should always be listed in the order in which they are printed on the form received from the department.

**20. Do I need to include my figures for my food sales in the figures reported for sales subject to the full tax rate?**

You should not include food sales in the figures reported on the full tax rate line. Food sales should be reported on the line for food sales only. If you qualify for food sales and you do not find a location for food on your return, please contact the Taxation Division, (573) 751-5860.

**21. What is the correct use tax rate for a particular city or county?**

To obtain the current rate for a particular city or county and a rate chart, you may download a current use tax table (listing all cities and counties) from the department's web site at [www.dor.mo.gov/tax/business/sales/](http://www.dor.mo.gov/tax/business/sales/) or you may contact the department at (573) 751-2836.

**22. Will I be notified of local tax increases/decreases?**

Local use tax increases/decreases take place on the first day of each calendar quarter. Your business will only be notified of the changes that directly affect your registered business locations. This information will be mailed to the address currently on file with the department. It is important to maintain accurate address information with the department. Failure to be notified does not relieve you of the tax.

**23. How do I calculate interest on late payment of my use taxes?**

Interest may be calculated in two ways.

1. Multiply the total amount of tax due by the current annual percentage rate. Then multiply this amount by the number of days late. Divide this amount by 365.

(366 during a leap year).

*Example:*  $\$100.00 \times 5\% = \$5.00$   $\$5.00 \times 30 \text{ days late} = \$150.00$   
 $\$150.00 \text{ divided by } 365 = \$.41$

2. Multiply the total amount of tax due by the daily rate.  
Then multiply the new amount by the number of days late.

*Example:*  $\$100.00 \times .0001370 = \$.0137$   $\$.0137 \times 30 \text{ days late} = \$.41$

**24. How often are the interest rates updated?**

The interest rate is subject to change each year. Any change will take effect on January 1.

**25. What are additions to tax and how are they computed?**

Additions to tax is a penalty charged for failure to pay or failure to file the required use tax returns by the due date.

When your use tax return has been filed, but not paid by the required due date, you should calculate your penalty by multiplying the tax amount due by five percent. This penalty does not increase.

When no use tax return has been filed, you should calculate your penalty by multiplying the tax amount due by five percent for each month you are late. This penalty increases each month you fail to file a return. The maximum amount of penalty is 25 percent.

\*Interest should not be calculated on the amount of additions to tax due.

**26. What is the approved credit line on the use tax returns to be used for?**

The Director of Revenue will issue credits for any amounts overpaid on your account. This credit should be claimed on this line on the return.

Credits should not be taken without prior approval of the department. The department will apply any credits to prior or future balances on your account, without notification.

**27. How do I pay use tax under protest?**

Any notice issued by the department or any tax imposed that a taxpayer disagrees with may be paid under protest. The department must receive payment in full of the delinquency or disputed tax and the check must be clearly marked "Paid Under Protest." Upon receipt of the payment, a Protest Affidavit will be mailed to the taxpayer and must be returned within 30 days after the payment is received.

## **AMENDED RETURNS/REFUND INFORMATION**

**28. Do I need a special form to file an amended or an additional use tax return?**

No. A special form is not needed to file an amended or an additional return. A copy of the original form may be used. Indicate additional or amended by writing it on the return. Blank forms are available upon request.

**29. How do I apply for a refund or credit of sales/use tax?**

You must complete Form 472B, Application for Tax Refund/Credit, and submit amended sales/ use tax returns for the periods in which the sales or purchases were originally reported along with supporting documentation.

**30. How can I ensure my refund/credit claim includes all necessary information for the department to process my claim?**

We recommend you use the following checklist when filing for a refund/credit.



### Checklist

- ✓ Indicate on the application whether you are requesting a refund.
- ✓ Sign the refund/credit application.
- ✓ Include amended returns for **each** period in which the tax was **originally reported**.
- ✓ Provide an exemption certificate or exemption letter for **each** exempt sale.
- ✓ Provide a worksheet detailing how the refund amount is calculated.
- ✓ Submit invoices supporting the refund/credit claim. (**Note:** If the refund/credit request is for more than one tax period, invoices for the entire claim may not be required. Contact the Department of Revenue at (573) 526-9938 before submitting invoices for more than one period.)
- ✓ Include a properly executed power of attorney if someone other than an owner, partner, or officer is the contact person concerning the refund/credit claim.

**31. I am filing a refund claim that involves more than one filing period. Do I need to file a separate Form 472B claim for each period?**

No. Submit one Form 472B for the entire claim. Make certain you indicate the periods for which the claim is being submitted. However, you must submit amended returns for each period of your request.

**32. I received an overpayment notice from the Department of Revenue. Do I need to submit a refund/credit application, amended returns or other supporting documentation in order to receive a refund?**

No. Sign the overpayment notice and return it to the Department of Revenue. The department will review the notice and either mail you a refund.

**33. Does the state pay interest on overpayments?**

Interest is included in a refund of overpayments only if the overpayment is not refunded within 120 days from the latest of:

- the last day prescribed for filing a tax return or refund claim, without regard to any extension of time granted;
- the date the return, payment or claim is filed; or
- the date the taxpayer files for a credit or refund and provides accurate and complete documentation to support the claim.

There are no statutory provisions for interest on a credit.

**34. What is the oldest period for which I may request a refund/credit?**

The statute of limitation for sales/use tax refund claims is three years from the date of the overpayment. The date of the overpayment is determined by the due date of the original return or the date of payment, whichever is later.

**35. What is my recourse if a refund/credit claim has been denied?**

A denial of refund/credit is the final decision of the Director of Revenue. A taxpayer may appeal any decision to the Administrative Hearing Commission. Appeals must be submitted in writing to the Administrative Hearing Commission, 301 West High Street, Harry S Truman State Office Building, PO Box 1557, Jefferson City, Missouri 65102 within 60 days after the date the decision is mailed or the date it is received, whichever date is earlier. If your appeal is sent by registered or certified mail, the appeal will be deemed filed on the date it is mailed. If the appeal is sent by any method other than registered mail, it will be deemed filed on the date it is received by the Administrative Hearing Commission.



## EXEMPTIONS

### 36. How do I apply for an exemption from use tax?

Any social, civic, religious, political subdivision, fraternal organization, or educational organization can apply for a sales/use tax exemption by completing Form 1746, Missouri Sales/Use Tax Exemption Application. This form lists the information that needs to be submitted to verify the organization is indeed a tax exempt non-profit organization.

### 37. How do I use a project exemption certificate?

A charitable, religious, or educational exempt entity may complete a project exemption certificate and present it to the contractor who in turn may use the certificate to purchase materials for a specific project tax exempt. This certificate must contain the following information:

- a. The exempt entity's name, address, Missouri tax identification number, and signature of authorized representative;
- b. The project location, description, and unique identification number;
- c. The date the contract is entered into, which is the earliest date materials may be purchased for the project on a tax-exempt basis;
- d. The estimated completion date, and;
- e. The certificate expiration date.

The department does not issue these exemptions. This is a transaction between the exempt organization and the contractor.

## Records to be Retained

The following records should be retained for at least three years (RSMo, 144.320):

- Copies of Missouri sales and use tax returns including any worksheets.
- Sales journals, general ledgers, or any and all other source documents used to complete the sales and use tax return.
- Missouri sales invoices.
- Exemption certificates, exemption letters, or other proof of exemption for all sales claimed exempt from Missouri sales or use tax.
- Purchase invoices and especially those for fixed assets purchased by taxpayer.
- Detailed depreciation schedule or fixed asset listing.
- Check register, purchases journal, or disbursement journal.
- Chart of accounts and customer lists.